RUTLAND & STAMFORD
property news

David Crooke
author of the
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Followers of my weekly blog already know I like to keep a close eye on the local housing market on a daily basis because it enables me to give the best advice.

If you would like a free valuation of a property you already own, be that your own personal home or an investment property for either sale or rental purposes, please get in touch.

Likewise I am always happy to cast my eye over any buy-to-let purchase you may be considering. You are welcome to email me a Rightmove link, a brochure in the post or perhaps even treading the carpet together. I don't charge for my service, and you don't even need to be a client of mine.

We are here to help you buy, sell, rent and manage your homes and investments.

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STAMFORD PROPERTY MARKET IN 2017 AND BEYOND

As 2016 draws to an end, the Stamford property market has a confident feel to it.

With the underlying fundamentals of a continued lack of properties being built, a shortage of properties coming to the market (both in terms of quantity and quality), and the continued low mortgage rate environment, buyer enquiries from first time buyers and buy-to-let landlords is strong and motivation is even stronger given those inexpensive lending rates and general demand caused by under supply.

Property ownership, whether it's as a home for yourself or as a buy-to-let investment, is a long term investment and commitment. In fact, an increasing number of landlords with properties in Stamford have recently contacted me asking me for my thoughts on the future of the town's buy-to-let market. As the politician Edmund Burke said in the 18th century, *"Those who don't know history are destined to repeat it"*. In other words, to see the future you must look into the past.

Since the millennium, the housing market has had everything thrown at it; the Brexit result, last year's general election, the near melt down of the world economy with the 'credit crunch', The dot com boom (and bust), the housing market crisis in 2008, the housing boom of 2001 to 2004 … the list goes on. To demonstrate this, there is a graph (courtesy of the Land Registry) of average property values since the millennium in the South Kesteven District Council (SKDC) area.

Even though we had the dot com bubble burst in 2000, just 2 years later in 2002 property values in the SKDC area had risen from £65,200 (in Jan 2000) to £87,800 - and kept rising to September 2007 when they peaked at £180,900. Then the credit crunch hit us and property prices continued to fall until July 2009 where they averaged £143,800. But, look where they are now … £190,000.

The point I am trying to get across is long term future property values are more helpful to landlord investors than the month-by-month headline grabbing micro movements in the property market. If you refer to the below graph again you will notice the overall growth in property values follows an upward trend BUT, the average darts about as each month goes by.

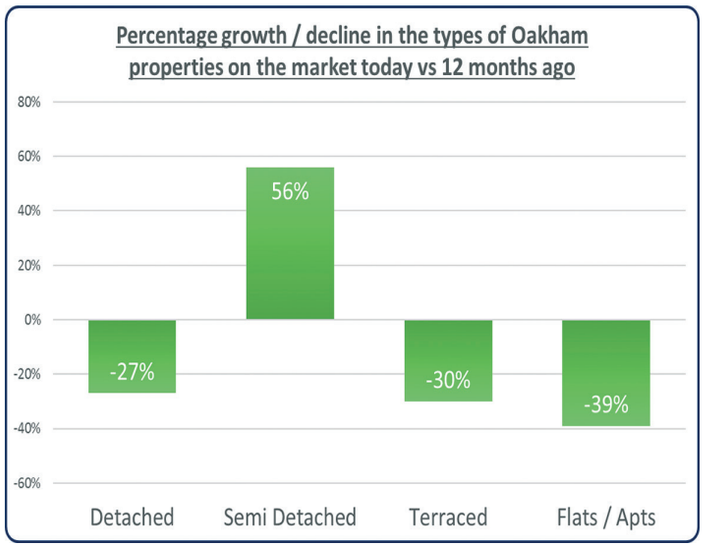
So, don't watch the property indexes and panic if values drop next month or the month afterwards, because even in the glory days of 2001 to 2004 and 2012 to 2014, without fail, values always dropped slightly around Christmas. People will always need a roof over their heads, and if they can't buy and the council aren't building anymore, only buy-to-let landlords can meet that ever increasing demand.

Average price: South Kesteven from January 2000 to September 2016

RUTLAND'S HOUSING CRISIS...ONLY 2.5% OF RUTLAND HOMES FOR SALE

The challenge every property buyer has faced over the last few years is a lack of choice... there simply hasn't been much to choose from when buying (be it for investment purposes or owner occupation). Numbers are still well down on what would be considered healthy levels from earlier on in this decade, as there remains a substantial demand/supply imbalance. Until we start to see consistent and steady increases in properties coming on to the market, the market is likely to see upward pressure on property values continue.

For example, in the last few months, LE15 has seen an average of 112 new properties coming onto the market, not bad when you consider for some months last year the average was in the mid 60's. According to my research, with the average Oakham property value hitting a record high at almost £326,450, the shortage of properties on the market over the last 2 years has contributed to this 'fuller' average property figure.



As I write this article, 2.53% of Oakham properties are on the market for sale. In terms of actual chimney pots, that equates to 99 properties on the market in Oakham (within 1 mile of the centre of Oakham), which, when compared to only a year ago when that figure stood at 123, is a slight decrease in the number of properties available to buy. However, split that down into the type of property, it makes for even more fascinating reading...

- Detached Properties in Oakham: 48 on the market a year ago, compared to 35 on the market now – a decrease of 27%
- Semi-Detached Properties in Oakham: 18 on the market a year ago, compared to 28 on the market now - an increase of 56%
- Terraced Properties in Oakham: 27 on the market a year ago, compared to 19 on the market now – a decrease of 30%
- Flats / Apartments Properties in Oakham: 18 on the market a year ago, compared to 11 on the market now – a decrease of 39%

This is evidence of strength in the housing market that many didn't expect. Some commentators believed that the property market wasn't going to be strong enough post-Brexit, as what was considered a 'sellers' market' before the Brexit vote and a 'buyers' market' in the early months after it, may now be somewhere in-between and the property market might just be coming back into balance.

However, all this will mean property values won't continue to grow at the same extent they have been over the last 12 to 18 months, and in some months (especially on the run up to Christmas and early in the New Year), values might dip slightly. This won't be down to Brexit but a re-balancing of the property market – which is good news for everyone.

As interest rates are looking to stay low in the foreseeable future the steady growth in house prices and princely buy-to-let yields have made property investment an appealing option for many. See my WEEKLY blog for the '3 BEST BUY-TO-LET DEALS' on the Rutland and Stamford property market, such as...

2 Bedroom Apartment
West Street, Stamford. Marketed by Sowden Wallis Estate Agents
Guide Price £139,995 → Approx. Rent: £595pcm → Yield: 5.1%

3 Bed Terraced House
Trinity Road, Stamford. Marketed by Goodwin Property Services
Sale Price: £157,500 → Approx. Rent: £695pcm → Yield: c5.3%

2 Bedroom Barn Conversion
Ideal to rent out first, with a view to moving in yourself in the future
Barlow Road, Oakham. Marketed by UPP Property Agents.
Guide Price: £225,000 → Approx. Rent: £750pcm → Yield: c4%

For more details and a link to each property, please visit my blog. Prices correct as at October 2016

FOR MORE ADVICE AND OPINION ON THE RUTLAND AND STAMFORD PROPERTY MARKET, SEE OUR BLOG

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